



# **PSC NEWS**

## **Missouri Public Service Commission**

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### **PSC CHAIRMAN CONTINUES EFFORTS SEEKING MORE FEDERAL LIHEAP MONEY FOR MISSOURI FAMILIES**

Jefferson City (July 19, 2004)---Missouri Public Service Commission Chairman Steve Gaw has sent a letter to members of the Missouri Congressional delegation seeking additional federal Low Income Home Energy Assistance Program (LIHEAP) dollars for Missouri families in need.

“As Congress works on the federal 2005 budget, we need to make our voices heard on energy assistance needs,” stated PSC Chairman Steve Gaw. “While the weather today has our focus on cooling, heating needs are just around the corner. We need to work now so that we are better prepared when temperatures drop in the fall.”

The wholesale price of natural gas has more than doubled since 2000, from less than \$2.50 per Mcf to more than \$6.00 per Mcf. “In just the past two years,” stated Gaw, “many customers have seen their heating bills increase by more than 25 percent, and during the winter of 2003-2004 there was a dramatic increase in the number of Missourians seeking energy assistance for the first time.”

“Paying the bills on the ‘back end,’ however, is not enough,” stated Chairman Gaw. “Current natural gas futures prices and reports by consultants predict that prices will be higher for years to come, and we must do more to support weatherization and other energy-efficiency measures. These are prevention strategies that will help reduce energy use and cost over the long run. One of the reasons a task force was formed by the PSC in March of this year was to examine possible programs for improving long term energy affordability for those seeking assistance,” added Gaw.

LIHEAP, federally funded and administered by the states, provides vital financial assistance to approximately 158,000 Missouri households. LIHEAP funding in Missouri is administered through the local community action agencies.

The text of Chairman Gaw’s letter is attached.

Dear :

As the House Appropriations Committee marks up the President's FY 2005 budget proposal, I urge you to seriously evaluate the subcommittee recommendation for the Low-Income Home Energy Assistance Program (LIHEAP) and the Weatherization Assistance Program. The Subcommittee on Labor, Health and Human Services, Education and Related Agencies has recommended:

- \$1.9 billion for "regular" LIHEAP block grants to states;
- \$100 million in contingency funding; and
- \$227 million for the weatherization program.

The subcommittee recommendation is approximately \$111 million more than the funding enacted in FY 2004 but \$64.7 million less than the President's FY 2005 request. While we appreciate *any* added funding, there is every indication that the nation's needs will outstrip resources. We ask the House Appropriations Committee to consider recommending \$3 billion for LIHEAP, an amount that the U.S. Senate already has unanimously approved in the bill reauthorizing the program.

You know that families in your district and throughout Missouri struggle to make ends meet, especially during the winter. LIHEAP is vital to them. Families use it to keep the heat on, bridging the gap between November and March.

The wholesale price of natural gas has more than doubled since 2000, from less than \$2.50 per Mcf to more than \$6.00 per Mcf. In just the past two years, many customers have seen their heating bills increase by more than 25 percent, and during the winter of 2003-2004 there was a dramatic increase in the number of Missourians seeking energy assistance for the first time.

Paying the bills on the "back end," however, is not enough. Current natural gas futures prices and reports by consultants predict that prices will be higher for years to come, and we must do more to support weatherization and other energy-efficiency measures. These are prevention strategies that will help reduce energy use and cost over the long run.

We also ask that you "forward fund" these programs for FY 2006. This is another preventive measure that will help states plan for the next energy assistance seasons. On behalf of the Missouri Public Service Commission, I urge you and your colleagues to help American families prepare for the months ahead. Thank you for your consideration.

Sincerely,

Steve Gaw  
Chairman